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"Danforth Amendment"

Max S. Baucus

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MONTH/YEAR of Records*: **March-1994**

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(1) Subject*: **Trade**

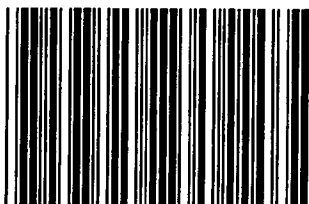
(select subject from controlled vocabulary, if your office has one)

(2) Subject* **Danforth Amendment**

DOCUMENT DATE*: **03/07/1994**

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* "required information"



BAUCUS

United States Senate

WASHINGTON, DC 20510

STATEMENT OF SENATOR MAX BAUCUS DANFORTH AMENDMENT

March 7, 1994

I rise, with some reluctance, to oppose the amendment of Senator Danforth.

I am in this position reluctantly because I have the highest regard for Senator Danforth as a leader on international trade issues. He and I have worked together to extend Super 301, win passage of the NAFTA, win passage of the 1988 Trade Act, and win trade negotiating authority for two Administrations. I have the deepest admiration for his contributions to trade policy and see him as one of my most valued friends and allies in the Senate.

I also share his concerns regarding the impact of the new GATT agreement on our countervailing duty or anti-subsidy laws. The fact is that our trade laws -- countervailing duty, anti-dumping, and Section 301 -- are critical to our trade policy. These laws have taken us further in the direction of genuinely free trade than any trade agreement. They are the backbone of American trade policy and cannot be traded away in any trade agreement.

But I think, with all respect to my friend, that before the Senate puts itself on record on this issue, we should listen to the Administration's case. The Administration has a number of arguments to make with regard to the provisions of the Uruguay Round which this resolution addresses. And the Administration's first chance to explain its views is a hearing being held by the Finance Committee this Wednesday at 10 a.m.

Further, I am disturbed by this resolution's suggestion that the GATT Agreement be renegotiated. Frankly, it is just not realistic to renegotiate the Uruguay Round. It took almost seven years of painful negotiations between 107 nations to conclude the Round.

We cannot at this point go back to the table and demand sweeping changes without endangering the entire agreement, which on balance will mean tens of billions of dollars in additional economic growth and hundreds of thousands of new jobs. Other countries have plenty of provisions to dislike. They will certainly demand changes in exchange for the changes we want. The entire agreement could easily break down.

Now, Senator Danforth may be entirely right about the subsidy issue. It may be right for the Senate to take this step. But we should not do it hastily, and we should consider what is at stake. The Round is projected to raise world economic production by \$270 billion a year. It could raise American GDP by \$65 billion per year. It means hundreds of thousands, or even millions of high-paying export jobs for the United States.

[more]

This Round has been a consensus goal of American trade policy since the mid-1980s. It is the product of three Administrations. It is the perfect example of bipartisan cooperation. Before we destroy it, let us at least look carefully and think hard. We should weigh the pros and cons in hearings and have this debate. But we should get all the facts on the table first.

My staff has been working with Senator Danforth's staff on provisions for the Uruguay Round implementing legislation that will protect our trade laws. It may be that we can address the problem he raises in implementing legislation. We may be able to create a special procedure that balances foreign research subsidization with counter subsidies on our side. We may be able to limit the scope of this provision and provide a congressional check on its extension beyond the five years agreed to in the GATT text.

None of these options are perfect. But I am confident that we can protect Section 301 -- even strengthen it -- in the implementing bill. I am confident that we can protect our dumping laws -- even strengthen them -- in the implementing bill. I want to work with Senator Danforth to see if we can do the same to protect our countervailing duty law.

At this point, I consider a vote on this resolution premature. I urge my friend from Missouri to work with me to find other solutions. If in the end, we cannot find them, I may well be back working with him on this same resolution at a future date. But today is too early for this resolution. So I urge my friend to withdraw it today, let the Administration make its case, and work with me to find a solution that does not threaten the Round.